VZCZCXRO6686 PP RUEHFK RUEHKSO RUEHNAG RUEHNH DE RUEHKO #2467/01 1280829 ZNR UUUUU ZZH P 080829Z MAY 06 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 1719 INFO RUEKJCS/SECDEF WASHDC PRIORITY RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY RUEAWJA/USDOJ WASHDC PRIORITY RULSDMK/USDOT WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/JOINT STAFF WASHDC//J5// RHHMUNA/HQ USPACOM HONOLULU HI RHHMHBA/COMPACFLT PEARL HARBOR HI RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// RHMFIUU/COMUSJAPAN YOKOTA AB JA//J5/J021// RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA RUAYJAA/COMPATWING ONE KAMI SEYA JA RUEHNH/AMCONSUL NAHA 8676 RUEHFK/AMCONSUL FUKUOKA 6051 RUEHOK/AMCONSUL OSAKA KOBE 9248 RUEHNAG/AMCONSUL NAGOYA 6020 RUEHKSO/AMCONSUL SAPPORO 7218 RUEHBJ/AMEMBASSY BEIJING 2106 RUEHUL/AMEMBASSY SEOUL 8285 RUCNDT/USMISSION USUN NEW YORK 0120

UNCLAS SECTION 01 OF 08 TOKYO 002467

SIPDIS

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST
DIVISION; TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS
OFFICE; SECDEF FOR JCS-J-5/JAPAN,
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY
ADVISOR; CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: OIIP KMDR KPAO PGOV PINR ECON ELAB JA

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 05/08/06

# INDEX:

- (1) Views on Constitution of four likely candidates for Koizumi's post
- (2) Government considering establishing new crisis management organization, putting off emergency law
- (3) How long will the "new Ozawa" last?
- (4) Burying emitted CO2 underground; J-Power, IHI for first time to use technology on commercial basis in Australia; More use of thermal power generation, coal eyed
- (5) NATO's Pacific overture: Solidarity to meet new threats; Need for responses that watch to the end national interests

## ARTICLES:

(1) Views on Constitution of four likely candidates for Koizumi's post

YOMIURI (Page 35) (Excerpts)
May 3, 2006

Today, Japan marks the 60th anniversary of the promulgation of the Constitution of Japan. The Yomiuri Shimbun analyzes what views the four likely candidates for the next prime minister will likely take on the Constitution, based on their public statements. The four are Chief Cabinet Secretary Shinzo Abe, former Chief Cabinet Secretary Yasuo Fukuda, Foreign Minister

Taro Aso, and Finance Minister Sadakazu Tanigaki.

### Abe:

"When assuming the post of Liberal Democratic Party (LDP) secretary general in 2003, I set the goal of drafting a

#### SIPDIS

constitutional amendment by the 50th anniversary of the party's establishment (in November of last year) and declared my determination to start from scratch. I was probably the first secretary general to refer to amending the Constitution. In

#### SIPDIS

response, the LDP came up with a final draft for a new constitution.  $\mbox{\tt "}$ 

Chief Cabinet Secretary Abe, whom the largest number of respondents in this newspaper's opinion poll favor as the successor to Prime Minister Koizumi, made the above remark in an interview with the Yomiuri Shimbun on May 1. He displayed a strong pride, being the grandson of Nobusuke Kishi, a former prime minister, who once advocated the need for Japan to independently draw up and establish its own constitution.

The words "start from scratch" suggest that the full text of the Constitution should be revised as a package. Regarding his call for a package revision of the Constitution, Abe explained: "Changing the Constitution is tantamount to taking responsibility for the state's position. I believe this spirit will indisputably encourage people to have the spirit to open up a new age." He envisions a period of a year or two that will be needed to amend the Constitution, remarking: "It is necessary for the government to make efforts to heat up national debate for over one year in order to form a majority view." He added: "There might be a realignment of political forces," based on views about a

TOKYO 00002467 002 OF 008

constitutional revision.

### Fukuda:

Former Chief Cabinet Secretary Yasuo Fukuda also has expressed a willingness to run in the upcoming party presidential race. He was involved in the drafting of the LDP's new constitution draft as chairman of a subcommittee on national security and emergencies under the LDP constitution drafting committee. However, he is negative about hastily amending the Constitution.

In a speech in Tokyo on March 25, Fukuda said: "Japan should give explanations to other countries to have them understand its position before amending the Constitution. Japan must take a cautious approach." In reference to a revision of Article 9, he said: "Japan should not do anything that will make other countries nervous. The presence of our military force is to defend the nation to the last and is not to attack other nations."

In a dialogue in the January edition of the LDP-issued monthly magazine Liberal, Fukuda welcomed the inclusion in the new constitution draft of the prime minister's control, supervision, and comprehensive coordination authority toward administrative branches as "making it possible for politicians to demonstrate leadership."

### Aso:

Foreign Minister Aso is also an advocate of amending the Constitution. When the Constitution was promulgated, Shigeru Yoshida, his grandfather, was prime minister. In reference to there having been no amendment of the Constitution since then, Aso said: "All politicians, including I, cannot avoid being labeled irresponsible." He also advocates that the Self-Defense Force (SDF) should be allowed to exercise the right to collective self-defense by amending the Constitution, saying: "There is also the way of changing the government's interpretation, but that

option is a little bit of a stretch."

He also calls for revising Article 89, which prohibits public money from being used for educational enterprises that are not under the control of public authority. This call is based on the view that if the article is interpreted literally, financial aid to private educational institutions may infringe on the provision.

Aso, however, indicated that he was not optimistic about whether the process of revising the Constitution will go smoothly. He said before reporters in Washington on May 1, local time: "Considerable efforts will be needed. I do not think the process will be completed during a single Diet session."

## Tanigaki:

Finance Minister Tanigaki replied in a written form to questions by the Yomiuri Shimbun. He said that the LDP's draft of a new constitution is "a significant result." On constitutional revision, he commented: "It is necessary to amend feasible parts one by one in a steady way." Asked about political realignment with an eye on a constitutional revision, Tanigaki replied: "It is too hasty at the present stage to link constitutional revision to political realignment." He emphasized: "Now that about 60

TOKYO 00002467 003 OF 008

years have passed since the Constitution was enacted, it is time to review the governing structure as stipulated in it."

Tanigaki said: "In order to promote structural reforms and speed up the policymaking process, the prime minister's leadership should be strengthened. It is also imperative to reinforce the functions of the Diet." Based on this view, he said: "The major frameworks and functions of the three pillars of government should be redefined. Specifically, he stresses the need for discussions on "strengthening the prime minister's comprehensive coordination authority," "role-sharing between the lower and upper houses, including the propriety of a one-chamber system," and "an effective judicial system."

Minshuto strongly opposed to amendment to Article 9

Minshuto (Democratic Party of Japan) President Ichiro Ozawa also holds sway over future development of debate on a constitutional revision.

In the opposition party, the Research Commission on the Constitution put together recommendations into a report last October. The party plans to hold hearings on the report in 11 blocs across the nation, starting with one on April 22 in Tokushima City, Shikoku.

In the party, many are opposed to revising Article 9. No conclusion has yet to be reached on whether to allow the SDF to exercise the right to collective self-defense, either.

(2) Government considering establishing new crisis management organization, putting off emergency law

ASAHI (Page 1) (Abridged) May 8, 2006

The government has established a panel to study the establishment of the Japanese-version of the National Security Council (NSC) and other steps to enhance the government's initial response to major disasters, including terrorist attacks and natural calamities. The step precedes the establishment of a basic law on emergency situations, for which the Liberal Democratic Party, Minshuto (Democratic Party of Japan), and New Komeito have been calling since 2004.

But a bill to establish such a system is unlikely to reach the Diet in the current session, as there is some skepticism in the government about the law's necessity.

A study group was established last October under the assistant deputy chief cabinet secretary for security and crisis management. The panel is composed of some 20 senior officials of the Foreign Ministry, Defense Agency, National Police Agency, and Land, Infrastructure and Transport Ministry, in addition to medical doctors, defense experts, and scholars. The panel has already begun studying ways to: (1) allow the chief cabinet secretary to independently hire security experts; (2) either

#### SIPDIS

establish an organization similar to America's NSC or strengthen the existing Security Council of Japan, which includes the foreign minister and the defense chief; and (3) establish a Cabinet Secretariat-centered mail system to exchange crisis management information between government bodies, hospitals, and research institutes.

TOKYO 00002467 004 OF 008

The government established in 1998 the post of deputy chief cabinet secretary for crisis management tasked with grasping the accurate situation and taking the lead in the initial response to a major disaster. The government, however, has concluded it necessary to have a group of experts to prepare against crises in cooperation with central government offices and local governments from peacetime.

An agreement was reached in 2004 by the three parties to aim for the enactment of a basic law on emergency situations in 2005. The plan was not acted on last year due to postal privatization. The three parties have again asked the government to present a bill to the current Diet session.

The establishment of the study panel reflects the government's intention to put a crisis management system in place ahead of the enactment of the law. It seems extremely difficult for the bill to reach the Diet, which is scheduled to adjourn in less than a month and a half.

(3) How long will the "new Ozawa" last?

ASAHI (Page 2) (Abridged) May 8, 2006

It has been one month since Ichiro Ozawa became president of Minshuto (Democratic Party of Japan). During that period, Ozawa has politely answered questions in press conferences and lent an attentive ear to views of junior party members, concealing his hard driving, strong-armed tendencies. In campaigning for the party presidency, Ozawa declared, "First, I must change myself." He has been making good on his pledge. How long will the "new Ozawa" last?

One month in office

On April 29, Ozawa was a guest this year's May Day rally held at Tokyo's Yoyogi Park by the Japanese Trade Union Confederation. During the event, he even slurped soba in the speed-eating contest, offering a bowl of noodles to a man beside him.

Ozawa also delivered a short speech. He conducted a long rehearsal in advance, according to his aide. During the campaigning for the April 23 House of Representatives by-election for Chiba Constituency No. 7, Ozawa, in a rare move for the mediashy veteran lawmaker, stumped for the Minshuto candidate on a hastily prepared platform made of empty beer cases and even rode a bicycle alongside the candidate.

After assuming office, Ozawa has held two 30-minute press conferences in which he answered questions politely until time ran out. He had often refused to repeat his answers in response to questions on basic policy issues. But he now seems eager to answer questions on basic policy issues, such as constitutional revision. "I haven't seen Mr. Ozawa deal with the media that politely," a close aide said.

Top-down approach not exhibited

Ozawa has been attentive to keeping good communication among party members. True to his campaign pledge to promote direct communication, Ozawa now spends Tuesday nights with Minshuto

TOKYO 00002467 005 OF 008

lawmakers and Wednesday nights with persons connected with Minshuto. On April 25, he dined with some 40 junior Minshuto lawmakers.

A veteran lawmaker noted:

"When he was the young secretary general of the Liberal Democratic Party, Mr. Ozawa didn't see people so easily in order to present himself as a heavyweight. He now deems it wise to keep the door to his office open."

To keep harmony in the party, Ozawa has also been watching party discussions on basic policy issues, such as reform of the Basic Education Law, instead of taking a top-down approach.

Old style dies hard

Minshuto Acting President Naoto Kan, who vied for the presidency with Ozawa, also said with a sigh of relief: "Mr. Ozawa has changed significantly. He has been creating a system of sharing roles with the secretary general, acting president, and other executives."

But the old customs have not died altogether. For instance, only once has Ozawa attended the Lower House's plenary session -- for several minutes. He has not taken part in the meetings of the Minshuto Lower House lawmakers or of the party's "Next Cabinet."

The party has not made public Ozawa's detailed timetable. On several occasions, he has not made public appearance. His whereabouts during the Golden Week holiday period were not known. Persons close to Ozawa are already considering reducing Ozawa's regular press conferences.

Shortly after becoming Minshuto president, Ozawa held talks with Soka Gakkai President Einosuke Akiya. But asked in a press meeting about the contents of his talks with Akiya, Ozawa denied that the meeting even took place.

Comment by producer Eriko Zanma, a media expert: The "Ozawa boom" resulted from support by middle-aged and elderly people, who have been pushed aside by young IT millionaires and others. Ozawa's uncharacteristic efforts, such as his beer-case speech and bicycle riding, have been well received. But further grandstanding will backfire on him.

He should continue holding press conferences politely. But those who have welcomed him are hoping to see the Ozawa capable of penetrating logic. There is no need for this sort of image campaign.

View by Prof. Jun Iio of the National Graduate Institute for Policy Studies:

Experiencing a humiliating setback in the last general election and the email fiasco, Minshuto lawmakers are ready to rally around Ozawa.

But Ozawa repeatedly shattered parties due to his policies and attempted to set off a dissolution of the Lower House in order to take the reins of government. It remains to be seen whether he is fit to lead Minshuto, which is not good at acting together.

TOKYO 00002467 006 OF 008

Since the merger between Minshuto and Jiyuto (Liberal Party), Ozawa has reached an agreement on security issues with the former

socialist group in the party. Changes are seen in Ozawa's stance. It will be a tough challenge for him to come up with policies that can win support of all party members by the party presidential election in September.

(4) Burying emitted CO2 underground; J-Power, IHI for first time to use technology on commercial basis in Australia; More use of thermal power generation, coal eyed

NIHON KEIZAI (Top Play) (Full) May 4, 2006

J-Power, Ishikawajima-Harima Heavy Industries (IHI) and the Ministry of Economy, Trade and Industry (METI) plan to carry out a project to liquefy carbon dioxide (CO2) discharged by a coal thermal power plant and bury the liquefied CO2 underground. This is the first case of putting CO2-liquefying technology developed in Japan into operation on a commercial basis. The cost of the project, which will also have the participation of US and European companies as well as the private and public sectors of Japan and Australia, will total approximately 14 billion yen. The plan is to carry out similar projects across the world with the aim of promoting the effective use of coal, which tends to be avoided for environmental reasons. J-Power, IHI and METI also want to make the project lead to obtaining carbon emissions rights.

Technology transfer to China eyed

Liquefying facilities will be constructed at a thermal plant in Queensland, northeastern Australia. The construction work will start in 2007 and begin operation in 2009. The facilities will have a capacity of processing 20,000 to 30,000 tons a year, which is about one-fifth of the amount of carbon dioxide discharged by that plant.

Liquefied CO2 will be buried under firm ground that had previously contained natural gas so that the carbon dioxide will not be released into the air. In areas where there are no abandoned natural gas mines, liquefied CO2 will be buried in coal strata. Since buried carbon dioxide will produce methane gas, methane gas-disposing facilities are also needed. It is, however, possible to use the methane gas for power generation.

The CO2 liquefying technology has been developed in Japan under METI's initiative. IHI has developed the plant that uses this technology. The project has gotten off the ground in Australia, a major coal-producing nation, as it has taken note of this technology.

METI is pinning its hope on the technology, expecting it will lead to the effective use of coal. Coal is a cheap natural resource and there are rich reserves, as well. However, it is estimated that when it burns, it emits about twice as much CO2 as natural gas does, a setback in promoting its use. The liquefying technology developed by Japan can even dispose of almost the entire amount of CO2 emitted by the coal-heated thermal plant. METI aims to transfer the technology to countries with high demand for power, such as China, Asian countries and developing countries. For instance, coal thermal power generation command approximately 60% of power generation in China. Demand for

TOKYO 00002467 007 OF 008

electricity is expected to further increase. Massive emissions of global warming gasses have cropped up as a problem.

Chances are that if technology for removing CO2 disseminates, heavy reliance on the Middle East for oil and natural gas can be reduced.

The targeted cost of liquefying CO2 is below the price of a greenhouse gas emission right, which at one time rose to 5,000 yen per ton in Europe. The outlook is that due to the recent sharp rise in the prices of crude oil, the cost of coal thermal power generation will be lower than other types of power generation, even if it needs liquefying facilities. IHI and J-

Power want to carry out similar projects throughout the nation in order to make them lead to the obtaining of CO2 emissions rights.

The Australian government and a local consotium involving power, coal and plant industries will finance more than two-thirds of the total cost of the project. The Japanese consortium, involving METI, IHI and J-Power, is expected to invest approximate 3.5 billion yen or about 25% of the total cost.

(5) NATO's Pacific overture: Solidarity to meet new threats; Need for responses that watch to the end national interests

YOMIURI (Page 14) (Full) May 3, 2006

By Jiro Hayashi, Brussels Bureau

The North Atlantic Treaty Organization (NATO) has begun to strengthen links with the countries of the Pacific, such s Japan and Australia. It is necessary for Japan to respond to the overture, while watching carefully its own national interests.

In an informal meeting of foreign ministers in Sofia, Bulgaria, on April 27, NATO reached a basic agreement to build a new partnership, focused on Japan, the Republic of Korea, Australia, and New Zealand. Why then is NATO approaching the Pacific countries? NATO was born immediately after World War II as an alliance to protect the West against the Communist camp centered on the Soviet Union. After the USSR was dissolved, NATO expanded its roles beyond that of a mutual defense organization to included promotion of democracy and responding to international terrorism.

In the 1990s, with its intervention in the former Yugoslavia dispute, NATO for the first time carried out operations outside of the geographical area of the alliance. Following the 9-11 terrorist attacks on the US, it carried out peacekeeping activities in Afghanistan, and after the Iraq War, NATO has been training Iraqi security forces. Last year, it provided assistance to Pakistan after the earthquake, it has also been involved in peacekeeping activities in Sudan, Africa. NATO Secretary General Jaap de Hoop Scheffer has placed an expansion of such activities as the form the alliance will take in the 21st century.

With the US being the leading NATO ally member, Ambassador to NATO Victoria Nuland stated: "We would like to build cooperative relationships with individual democracies that share common security interests and values." The Ambassador expressed her hope that Japan "if possible in the future" would provide financial cooperation to operations in Afghanistan and to NATO itself. She

TOKYO 00002467 008 OF 008

envisions a global strategy in which the "bonds of the democratic world would be tightened," with the core of NATO as a military alliance being left in Europe, while the US, receiving the cooperation of Japan and Australia, would be in an advantageous position to respond to such new threats as the expansion of weapons of mass destruction.

This is the reason for NATO's moving closer to Pacific countries. What benefits then will this new development bring to Japan?

Last year in May, Joint Staff Council Chairman Hajime Massaki (now chief of the Joint Staff Office), stated: "It would be good to build confidence with NATO and to have a relationship in which it can contribute to maintaining the peace and security of the Asia-Pacific region."

There are concerns, as well, that "European countries are indifferent to the security situation in Asia, which is far away," according to a US government source," as seen in the EU's giving priority to expanding trade with China by moving to remove the ban on weapons exports to China, something Japan and the US have strongly objected to. If Japan can obtain Europe's understanding of Asia, then NATO and Japan's political dialogue will serve Japan's national interests. Such activities as

exchanging intelligence on terrorist organizations and their operations, and measures to smooth the way for joint operations between the Self-Defense Forces (SDF) and foreign forces also serve mutual interests.

However, some voices of perplexity are coming out of the Japanese government, with one Foreign Ministry official saying, "The Construction restricts such activities by the SDF, so even if we say we will cooperate with NATO, the scope would be limited." Within NATO, as well, some countries like France are raising voices of alarm, saying, "Our coming close to Japan and the Republic of Korea would only create needless raise the hackles of China, which is rising militarily, and North Korea, which has a nuclear program."

There also needs to be a clarification of what Japan and NATO want by linking together.

DONOVAN